REMARKS:

Claims 1-29 are currently pending in the application. Claims 11-24 stand withdrawn without prejudice or disclaimer; however, the Applicants respectfully request that if the Examiner withdraws the restriction with respect to any non-elected claims, the Examiner reinstate and examine those claims. Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 112, second paragraph. Claims 1-10 and 25-29 also stand rejected under 35 U.S.C. § 103(a) over U.S. Patent No. 6,151,582 B2 to Huang et al. ("Huang") in view of Dobler's Production and Inventory Control Handbook, Chapter 10 Capacity Planning, 3rd Ed., ("Greene"). Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 103(a) over Huang in view of Dobler's Purchasing and Supply Management, Text & Cases, Chapter 22 Production Planning, ("Dobler").

By this Amendment, claim 25 has been canceled without prejudice and claims 1, 4, 7-9, and 26-29 have been amended to more particularly point out and distinctly claim the Applicant's invention. By making these amendments, the Applicants make no admission concerning the merits of the Examiner's rejection, and respectfully deny any statement or averment of the Examiner not specifically addressed. Particularly, the Applicants reserve the right to file additional claims in this Application or through a continuation patent application of substantially the same scope of originally filed claims 1, 4, 7-9, and 25-29. No new matter has been added.

The Applicants reiterate here the arguments set forth in the Amendment Response filed on 29 April 2005, as if fully set forth herein. In particular, the Applicants direct the Examiners attention to the following argument set forth in the Amendment Response filed on 29 April 2005:

> **REJECTION UNDER 35 U.S.C. § 112:**
>
> Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention.
>
> Specifically, the Office Action alleges that the phrase "capacity extreme" is indefinite and appears to be subjective making the scope of the claim unclear. The Applicants respectfully disagree with the Examiner and do not understand why the subject phrase is thought to be confusing. Thus,

the allegation in the present Office Action that the phrase "capacity extreme" is indefinite is respectfully traversed.

The Applicants direct the Examiners attention to the specification, which Applicants are their own lexicographer and define the phrase "capacity extreme". In view of the specification at page 4 lines 4-17, Applicants define the phrase "capacity extreme" as the excess and deficits in capacity. In essence, the phrase "capacity extreme" means any deviation from nominal capacity outside the scope of maximum efficiency in a supply chain. Where an explicit definition is provided by the applicant for a term, that definition will control interpretation of the term as it is used in the claim. MPEP § 2111.02.

For at least these reasons, Applicants submit that the phrase "capacity extreme" is definite and defined in the specification. Applicants further submit that claims 1-10 and 25-29 are considered to be in full compliance with the requirements of 35 U.S.C. § 112. The Applicants further submit that claims 1-10 and 25-29 are in condition for allowance. Therefore, the Applicants respectfully requests that the rejection of claims 1-10 and 25-29 under 35 U.S.C. § 112 be reconsidered and that claims 1-10 and 25-29 be allowed. (Emphasis Added).

REJECTION UNDER 35 U.S.C. § 101:

The Applicants thank the Examiner for withdrawing the rejection of claims 24, 27, and 29 under 35 U.S.C. § 101.

REJECTION UNDER 35 U.S.C. § 112:

Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention.

Specifically, the Office Action maintains that the phrase "capacity extreme" in claims 1, 15, 24, and 25 renders those claims indefinite. (27 July 2005 Office Action, Pages 2-3). The Applicants disagree.

Nonetheless, the Applicants have canceled without prejudice claim 25 and amended claims 1, 4, 7-9, and 26-29 to remove the phrase "capacity extreme" in an effort

to expedite prosecution of this Application and to more particularly point out and distinctly claim the subject matter which the Applicants regard as the invention. By making these amendments, the Applicant does not indicate agreement with or acquiescence to the Examiner's position with respect to the rejections of these claims under 35 U.S.C. § 112, as set forth in the Office Action. Particularly, the Applicants reserve the right to file additional claims in this Application or through a continuation patent application of substantially the same scope of originally filed claims 1, 4, 7-9, and 25-29.

The Applicants submit that amended independent claims 1 and 26-29 are considered to be in full compliance with the requirements of 35 U.S.C. § 112. The Applicants further submit that amended independent claims 1 and 26-29 are in condition for allowance.

With respect to dependent claims 2-10, claims 2-10 depend from amended independent claim 1. As mentioned above, amended independent claim 1 is considered to be in full compliance with the requirements of 35 U.S.C. § 112. Thus, dependent claims 2-10 are considered to be in condition for allowance for at least the reason of depending from an allowable claim. Thus, the Applicants respectfully request that the rejection of claims 1-10 and 26-29 under 35 U.S.C. § 112 be reconsidered and that claims 1-10 and 26-29 be allowed.

REJECTION UNDER 35 U.S.C. § 103(a):

Claims 1-10 and 25-29 stand rejected under 35 U.S.C. § 103(a) over Huang in view of Greene. Claims 1-10 and 25-29 also stand rejected under 35 U.S.C. § 103(a) over Huang in view of Dobler.

Although the Applicants believe claims 1-10 and 25-29 are directed to patentable subject matter without amendment, the Applicants have canceled without prejudice claim 25 and amended claims 1, 4, 7-9, and 26-29 to more particularly point out and distinctly claim the Applicants invention. By making these amendments, the Applicants do not

indicate agreement with or acquiescence to the Examiner's position with respect to the rejections of these claims under 35 U.S.C. § 103(a), as set forth in the Office Action.

The Applicants respectfully submit that Huang, Greene, or Dobler, either individually or in combination, fail to disclose, teach, or suggest each and every element of claims 1-10 and 26-29. Thus, the Applicants respectfully traverse the Examiners obvious rejection of claims 1-10 and 26-29 under 35 U.S.C. § 103(a) over the proposed combination of Huang, Greene, and Dobler, either individually or in combination.

For example, with respect to amended independent claim 1, this claim recites:

> A system for managing a deviation from nominal capacity at a first entity in a supply chain, comprising:
> a planning application operable to receive status data for at least the first entity reflecting the deviation from nominal capacity at the first entity and to generate a plan according to the status data; and
> a manager application operable to receive the plan and, according to the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the deviation from nominal capacity through interaction with one or more other entities, the manager application operable to select the service from among a plurality of available services based on a monetary value to the first entity of a resolution expected to be available using the selected service relative to other services. (Emphasis Added).

Amended independent claims 26-29 recite similar limitations. Huang, Green, and Dobler, either individually or in combination, fail to disclose each and every limitation of amended independent claims 1 and 26-29.

The Applicants have reviewed Huang in detail, particularly looking for a planning application which is a supply chain planning engine 160; a manger application; status data as demand data 148; and resolving at lest a portion of the capacity extreme, relied upon by the Examiner. (27 July 2005 Office Action, Page 4). However, Huang fails to disclose, teach or suggest several of the limitations recited by claims 1-10 and 26-29. Thus, the Applicants respectfully traverse the Examiner's assertions regarding the subject matter disclosed in Huang.

The Applicants respectfully submit that Huang fails to disclose managing a deviation from nominal capacity at a first entity in a supply chain. Rather Huang discloses a decision supporting system for managing an agile supply chain. (Abstract). The Applicants further submit that the Examiner has misdescribed the decision supporting system disclosed in Huang. For example, the Examiner asserts that Huang inherently includes a supply chain planning engine 160. (27 July 2005 Office Action, Page 4). The Applicants respectfully traverse the Examiner's assertions regarding the inherent features of Huang. Rather Huang does not disclose a supply chain planning engine, but instead discloses a Production-Sales-Inventory Planning Frame 160. This Production-Sales-Inventory Planning Frame 160 of Huang merely provides for a user interface which is customized to the specific needs of the Production-Sales-Inventory planning process. Thus Huang cannot provide for managing a deviation from nominal capacity at a first entity in a supply chain, since the Production-Sales-Inventory Planning Frame 160 of Huang is not a supply chain planning engine as relied upon by the Examiner.

In another example, the Examiner asserts that Huang inherently includes status data as demand data 148. (27 July 2005 Office Action, Page 4). The Applicants respectfully disagree. Huang does not disclose, teach or suggest a planning application operable to receive status data for at least the first entity reflecting the deviation from nominal capacity at the first entity and to generate a plan according to the status data. Rather Huang merely discloses a Demand Orientation Data 148. This Demand Orientation Data 148 of Huang merely provides for data to develop the customer-centric bottom-up forecasts in a forecast data. Thus Huang cannot provide for a planning application operable to receive status data for at least the first entity reflecting the deviation from nominal capacity at the first entity and to generate a plan according to the status data, since the Demand Orientation Data 148 of Huang is not a status data as demand data 148 as relied upon by the Examiner.

The Applicants further submit that the Office Action acknowledges, and Applicants agree, that Huang fails to disclose the emphasized limitations noted above in amended independent claim 1. Specifically the Examiner acknowledges that Huang fails to disclose a manager application operable to receive the plan and, according to

the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the deviation from nominal capacity through interaction with one or more other entities. (27 July 2005 Office Action, Pages 4-5). However, the Examiner asserts that the cited portions of Greene teach "attempts" at "resolving" capacity issues. (27 July 2005 Office Action, Pages 4-5). The Applicants disagree. The Applicants respectfully traverse the Examiners assertions regarding the subject matter disclosed in Greene.

The Applicants respectfully submit that Greene has nothing to do with the amended independent claim 1 limitations regarding managing a deviation from nominal capacity at a first entity in a supply chain and in particular Greene has nothing to do with amended independent claim 1 limitations regarding a manager application operable to receive the plan and, according to the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the deviation from nominal capacity through interaction with one or more other entities. Rather, Greene describes an approach to capacity planning to assure that the necessary resources are available to accomplish the manufacturing orders that have been planned. (Chapter 10, Page 10.1). Greene does not disclose, teach, or suggest "attempts" at "resolving" capacity issues. Thus Greene cannot provide for a manager application operable to receive the plan and, according to the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the deviation from nominal capacity through interaction with one or more other entities, since Greene does not even provide for a capacity planning approach to resolve at least a portion of the deviation from nominal capacity.

The Applicants further submit that the Office Action acknowledges, and Applicants agree, that Huang fails to disclose the emphasized limitations noted above in amended independent claim 1. Specifically the Examiner acknowledges that Huang fails to disclose a manager application operable to receive the plan and, according to the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the deviation from nominal capacity through interaction with one or more other entities. (25 August 2005 Final Office Action, Page 5). However, the Examiner asserts that the cited portion of Dobler teaches capacity requirements planning ("CRP"). (27 July 2005 Office

Action, Page 5). The Applicants disagree. The Applicants respectfully traverse the Examiners assertions regarding the subject matter disclosed in Dobler.

The Applicants respectfully submit that Dobler has nothing to do with the amended independent claim 1 limitations regarding managing a deviation from nominal capacity at a first entity in a supply chain and in particular Dobler has nothing to do with amended independent claim 1 limitations regarding a manager application operable to receive the plan and, according to the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the deviation from nominal capacity through interaction with one or more other entities. Rather, Dobler describes an approach to convert shop orders produced by the MRP system into scheduled workloads for the various factory work centers. (Chapter 22, Page 501). Dobler does not disclose, teach, or suggest "an attempt" at a portion of the capacity. Thus Dobler cannot provide for a manager application operable to receive the plan and, according to the plan, to automatically initiate at least one service in an attempt to resolve at least a portion of the deviation from nominal capacity through interaction with one or more other entities, since Dobler does not even provide for a capacity requirements planning approach to resolve at least a portion of the deviation from nominal capacity.

The Applicants respectfully submit that the Office Action has failed to properly establish a *prima facie* case of obviousness based on the proposed combination of Huang, Greene, and Dobler, either individually or in combination. The Office Action has not shown the required teaching, suggestion, or motivation in these references or in knowledge generally available to those of ordinary skill in the art at the time of the invention to combine Huang, Greene, and Dobler as proposed. The Office Action merely states that it would have been obvious to a person having ordinary skill in the art at the time of the invention was made to modify Huang as taught by Greene to include attempts at least a portion of the capacity extreme though interactions. (27 July 2005 Office Action, Page 5). The Office Action further states that it would have been obvious to a person having ordinary skill in the art at the time of the invention was made to modify Huang as taught by Dobler to include an attempt at to resolve at least a portion of the capacity extreme. (27 July 2005 Office Action, Page 5).

The Applicants further submit that this purported advantage relied on by the Examiner is nowhere disclosed, taught, or suggested in Huang, Greene, or Dobler, either individually or in combination. The Examiner asserts that a person having ordinary skill in the art at the time the invention was made, would make such a modification because it would have helped improved decision to accomplish the production plans as the most affordable costs. (27 July 2005 Office Action, Page 5). The Applicants respectfully disagree. The Applicants respectfully request the Examiner to point to the portions of Huang, Greene, or Dobler which contain the teaching, suggestion, or motivation to combine Huang, Greene, or Dobler for the Examiners stated purported advantage. The Applicants further submit that the Examiner is using the subject Application as a template to formulate reconstructive hindsight, which constitutes impermissible use of hindsight under 35 U.S.C. § 103(a). A recent Federal Circuit case makes it crystal clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. In re Lee, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). (Emphasis Added). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. Id. at 1434-35. Thus, the Office Action fails to provide proper motivation for combining the teachings of Huang, Greene, or Dobler, either individually or in combination.

Amended independent claims 26-29 are considered patentably distinguishable over the proposed combination of Huang, Greene, and Dobler for at least the reasons discussed above in connection with amended independent claim 1. Thus, amended independent claims 26-29 are considered patentably distinguishable over the proposed combination of Huang, Greene, and Dobler for at least the reasons discussed above in connection with amended independent claim 1.

With respect to dependent claims 2-10 which depend from amended independent claim 1, amended independent claim 1 is considered patentably distinguishable over the proposed combination of Huang, Greene, and Dobler. Thus, dependent claims 2-10 are considered to be in condition for allowance for at least the reason of depending from an allowable claim.

For at least the reasons set forth herein, the Applicants submit that claims 1-10 and 26-29 are not rendered obvious by the proposed combination of Huang, Greene, and Dobler. The Applicants further submit that claims 1-10 and 26-29 are in condition for allowance. Thus, the Applicants respectfully request that the rejection of claims 1-10 and 26-29 under 35 U.S.C. § 103(a) be reconsidered and that claims 1-10 and 26-29 be allowed.

THE LEGAL STANDARD FOR OBVIOUSNESS REJECTIONS UNDER 35 U.S.C. § 103:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991); M.P.E.P. § 2142. Moreover, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 U.S.P.Q. 580 (CCPA 1974). If an independent claim is nonobvious under 35 U.S.C. § 103, then any claim depending therefrom is nonobvious. *In re Fine*, 837 F.2d 1071, 5 U.S.P.Q.2d 1596 (Fed. Cir. 1988); M.P.E.P. § 2143.03.

With respect to alleged obviousness, there must be something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination. *Panduit Corp. v. Dennison Mfg. Co.*, 810 F.2d 1561 (Fed. Cir. 1986). In fact, the absence of a suggestion to combine is dispositive in an obviousness determination. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573 (Fed. Cir. 1997). The mere fact that the prior art can be combined or modified does not make the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680, 16 U.S.P.Q.2d 1430 (Fed. Cir. 1990); M.P.E.P. § 2143.01. The consistent

criterion for determining obviousness is whether the prior art would have suggested to one of ordinary skill in the art that the process should be carried out and would have a reasonable likelihood of success, viewed in the light of the prior art. Both the suggestion and the expectation of success must be founded in the prior art, not in the Applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 U.S.P.Q.2d 1438 (Fed. Cir. 1991; *In re O'Farrell*, 853 F.2d 894 (Fed. Cir. 1988); M.P.E.P. § 2142.

A recent Federal Circuit case makes it clear that, in an obviousness situation, the prior art must disclose each and every element of the claimed invention, and that any motivation to combine or modify the prior art must be based upon a suggestion in the prior art. *In re Lee*, 61 U.S.P.Q.2d 1430 (Fed. Cir. 2002). Conclusory statements regarding common knowledge and common sense are insufficient to support a finding of obviousness. *Id.* at 1434-35.

CONCLUSION:

In view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and early reconsideration and a Notice of Allowance are earnestly solicited.

Although Applicants believe no additional fees are deemed to be necessary; the undersigned hereby authorizes the Commissioner to charge any additional fees which may be required, or credit any overpayments, to **Deposit Account No. 500777**.

Please link this application to Customer No. 53184 so that its status may be checked via the PAIR System.

Respectfully submitted,

9/29/05
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